



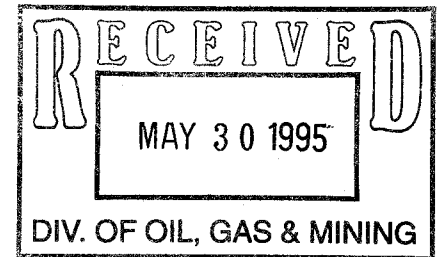
MICHAEL O. LEAVITT  
GOVERNOR

STATE OF UTAH  
OFFICE OF THE GOVERNOR  
SALT LAKE CITY  
84114-0601

OLENE S. WALKER  
LIEUTENANT GOVERNOR

September 14, 1994

The Melvin Bradshaw Family  
P.O. Box 335  
Milford, Utah 84751



Re: State Mineral Leases ML 40197, ML 40198 & ML 41353

Dear Friends:

Thank you for your recent letter regarding the problems that your family has had with state mineral leases held by the late Mr. Melvin Bradshaw. My office has discussed this matter with the Utah School and Institutional Trust Lands Administration, which administers these leases on behalf of the state school trust beneficiaries.

The Trust Lands Administration's records indicate that Bradshaw Pumice subleased the leases to Mountain View Mining in 1992. This sublease gave Mountain View Mining the exclusive right to explore and mine the leased lands. From your letter, it is the Trust Lands Administration's understanding that Mountain View Mining has failed to pay royalties to the state and, more importantly, has failed to bring the leases into production. The leases may therefore terminate for non-production. In your letter, you request that the Trust Lands Administration require Mountain View to put the leases into production, or alternatively terminate the sublease and restore the leases to Bradshaw Pumice.

Apparently there has been some confusion about whether the state could itself terminate the sublease, and thereby allow Bradshaw Pumice to bring the leases into production through a new sublessee. The Trust Lands Administration is sorry if Mr. Bradshaw received the wrong impression about this matter from a state employee. However, the Trust Lands Administration does not have the legal authority to terminate the sublease simply because Mountain View has violated its sublease obligations to Bradshaw Pumice. This is a contract matter between Bradshaw Pumice and Mountain View Mining. Nor can the state permit a second sublessee to mine the leases when Mountain View is still the sublessee.

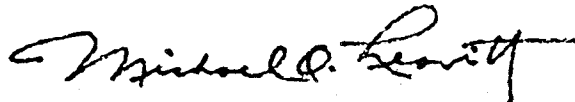
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The Trust Lands Administration has determined that it can extend the leases, provided that Bradshaw Pumice and Perlite immediately commences mining operations under an approved plan of operations. Upon termination of the Mountain View Mining sublease by Bradshaw Pumice and Perlite, the Trust Lands Administration may then, in its discretion, approve a sublease to Pure White Pumice Inc. We hope that these actions will permit this situation to be resolved in a satisfactory manner.

Please accept my sorrow at the passing of your father. I understand that he possessed a keen spirit of independence and entrepreneurship. I know that his posterity will continue that great tradition and will significantly contribute to the building of our state.

Sincerely,

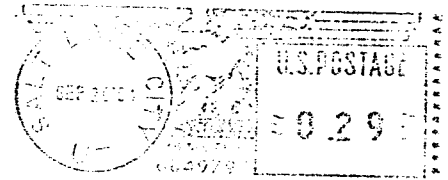


Michael O. Leavitt  
Governor

cc: Scott Hirschi, Director, School & Institutional  
Trust Lands Administration



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